

Publications

Directors and Officers of Foreign Private Issuers to Report Transactions Under Securities Exchange Act Section 16(a) Beginning March 18, 2026

ALERT

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A Hodgson Russ Corporate & Business Alert

Beginning March 18, 2026, directors and officers^[1] of foreign private issuers, or FPIs, must report their beneficial ownership of, and their transactions involving, an FPI's securities under Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Holding Foreign Insiders Accountable Act ("HFIAA"), as part of the National Defense Authorization Act, became law on December 18, 2025. The HFIAA amended Section 16(a) of the Exchange Act to apply to directors and officers of FPIs that have a class of securities registered under Section 12 of the Exchange Act.

As a result, all the directors and officers of an FPI, unless exempt, must file (i) an initial statement of beneficial ownership on Form 3, (ii) statements of changes in beneficial ownership on Form 4, and (iii) annual statements of beneficial ownership on Form 5. While the HFIAA allows the Securities and Exchange Commission ("SEC") to grant exemptions to FPI directors and officers subject to "substantially similar [reporting] requirements" in a foreign jurisdiction, it is not clear under what circumstances the SEC would grant exemptions, and it would be prudent for an FPI to proceed as if exemptive relief will not be available to its directors and officers. We will continue to monitor further SEC guidance regarding potential exemptive relief for FPI directors and officers.

The amendments to Section 16 of the Exchange Act effected by the HFIAA do not subject ten percent beneficial owners of an FPI's equity securities to the aforementioned reporting requirements, and they do not subject FPI directors and officers to the requirements and potential liability of either Section 16(b) (imposing short-swing liability and profit disgorgement obligations for matchable transactions (i.e.,

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purchase and sale or sale and purchase) within a six-month period) or Section 16(c) (prohibiting the short-selling of company securities).

To prepare for the new Section 16(a) reporting obligations, FPIs should (i) review internal policies and procedures regarding trading by directors and officers (being mindful that such director and officer trading will have to be reported on Form 4), (ii) ensure that all directors and officers have executed a power of attorney granting Form 3, Form 4, and Form 5 filing authority to at least two company officers (to ensure maximum administrative flexibility), (iii) ensure that all directors and officers have EDGAR filing codes well in advance of the March 18, 2026, effective date and (iv) ensure proper communication channels are in place between the company and any securities broker used by directors and officers (so no reportable transactions are missed). A summary table of Section 16(a) reporting deadlines is included below. Please contact a member of the Hodgson Russ [Corporate and Business](#) team if you have any questions regarding the new Section 16(a) reporting obligations.

Section 16(a) Reporting Form	Initial Deadlines	Ongoing Deadlines
Form 3 (Initial Statement of Beneficial Ownership of Securities)	10:00 P.M. Eastern Time on March 18, 2026, for the FPI's existing directors and officers	Ten calendar days after FPI appoints a new director or officer (unless an IPO, in which case all Form 3s must be filed on the same day the registration statement is declared effective).
Form 4 (Statement of Changes of Beneficial Ownership of Securities)	N/A	Two business days from the date of a director or officer transaction involving FPI securities.
Form 5 (Annual Statement of Beneficial Ownership of Securities)	N/A	45 days from fiscal year-end (to the extent certain holdings and/or transactions were not previously reported on Form 3 or Form 4).

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[1] Exchange Act Rule 16a-1(f) defines “officer” as a company’s president, principal financial officer, principal accounting officer or controller, any vice-president in charge of a principal business unit, division or function, and any other officer or person who performs a policy-making function for the company (including an officer of a company’s parent or subsidiary if he or she performs such policy-making functions for the company). Determining a company’s officers is a fact-specific exercise outside the scope of this alert.